GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:246
ANSWERED ON:21.11.2000
UREA SCAM
RAMCHANDRA BAINDA

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Union Government have recovered Rs.133 crore from the guilty persons involved in urea scam;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the present position in this regard and the steps proposed to be taken by the Government in this regard.

Answer

THE MINISTER OF STATE IN MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE)
(a) to (c): National Fertilizers Limited (NFL) had made advance payment of Rs.133 crores (US$37.62 million) to Karsan Limited, Ankara (Turkey) for supply of urea in 1995. On failure of Karsan Ltd. to supply urea, NFL had moved the International Court of Arbitration (ICA) inaccordance with the Arbitration clause contained in the contract with the supplier. The ICA hasawarded nearly US$ 41 million in favour of National Fertilizers Limited for recovery againstKarsan Ltd. Steps are being taken to enforce the award. The Arbitral Award is however, under challenge by Karsan Ltd. in the District Court at Amsterdam. The said proceeding is pending disposal. The counter claim made by Karsan Limited against NFL has been rejected.

(d): NFL has already initiated attachments and recovery proceedings against theidentified assets in the name of M/s Karsan Limited and their associates at various locations/ countries. The attachment proceedings are in progress. However, this will depend on outcome of the case pending in the District Court at Amsterdam. The Government is monitoring the efforts and extending assistance wherever possible.